What Is to Be the Status Of American Books Abroad?

► What is to be the status of American books abroad? In view of the alarming shortages of American dollars in other countries and the equally alarming shrinkage of the dollar's purchasing power in this country, the question should be examined carefully by the American book trade—particularly in relation to the recent restrictions which three countries have imposed on American books because of their own dollar shortages.

On September 12 it was announced by the English Government's Board of Trade that provisions for the unrestricted importation of all books have been revoked. This means, of course, that the Board of Trade's policy dating from the first of the year that "books for reading purposes, not including periodicals, fiction in English and children's books may be imported from all countries without individual licenses" is nullified (*PW*, January 25, May 17). Fiction in English and children's books, however, may still be imported on individual licenses under the existing regulations.

However, with reference to books intended to have been shipped into England under the open general license, now revoked, there is the following amendment to the revocation order: "In cases where the Commissioners of Customs and Excise are satisfied that any of these goods were shipped to the United Kingdom prior to September 12, 1947, and arrived in the United Kingdom before September 22, 1947, they will be admitted without the necessity for an individual import license." But at present there is no clarification for the American publisher regarding unfilled orders for England which are on press, in the bindery or packed for shipment. Applications can now be made to import "learned, scientific and technical books in English; children's educational books (other than fiction) of the kind sold only for use in schools; and religious books (other than fiction) . . . " if evidence can be submitted of the value of the importer's prewar imports. Applications will not, in general, "be entertained for importation at a rate in excess of 100 per cent by value of the prewar imports."

Australia announced on September 4 that 32 categories of goods from the U. S., including books, had been banned as part of the Dominion's dollar saving drive. Previous to this announcement, American books were classified by the Australian customs under one of the three following headings: (1) Educational, medical, technical, scientific and theological books that are or could be used as textbooks for students and Bibles, prayer books, missals, hymn books, dictionaries of the English language if costing not less than $1.50, and foreign language dictionaries, are admitted without restriction; (2) Books of the types known as westerns, detectives, crime and light romances, fiction in paper covered editions, children's toy books and English dictionaries costing less than $1.50 are not permitted at present. (3) All other books are permitted subject to a quota at present calculated at 17½ per cent of the value of importations of the base year (1939). This ban of certain imports from dollar areas is part of Australia's attempt to balance its dollar budget during the 1947-48 fiscal year. Consequently, no imports are being allowed at present from America until Australia's dollar position has been examined and clarified by her government. Before the import restrictions were made authoritative, the government estimate of the Dominion's dollar deficit was approximately $85,000,000.

France, also, has taken recent action against expenditures for American books by blocking their importation through a refusal to allocate dollars for this purpose. This has been done in spite of the $150,000 recently allocated for American books in 1947 by the French government. However, as was pointed out in the August 23 issue of *Publishers' Weekly*, this amount seems meaningless as it was not known at the

time whether it included periodicals and inasmuch as the French had already spent at least $199,747 from January through May for American books.

The Netherlands, too, has restricted the importation of books from America to technical, scientific and medical books only. American books cannot be shipped into Poland, Yugoslavia, and Albania because no dollar provisions have been made for them by the respective governments.

Consequently, with England, Australia, France and numerous other countries all initiating curbs on their purchases of American books within a few weeks time of each other and with statistics showing that the sales of books from this country are beginning to level off from an April-May postwar peak into the same pattern of decline felt generally throughout American foreign trade circles in June and July, this question of what the future of American books abroad is to be is one which might well be asked.

SALES ON AMERICAN BOOKS IN FOREIGN COUNTRIES MEANS LOSS TO PUBLISHERS

American dollars—or rather the lack of American dollars in other countries—is the crux of the problem confronting American publishers who wish to sell their books in foreign countries. For an industry that has exported almost 13 million dollars worth of its product during the first six months of 1947 as American book publishers have done, the loss of foreign markets is not inconsiderable. Especially when the rising costs of book production, estimated to have increased as high as 100 per cent during the last five years (*PW*, July 5, August 9), has made the publisher of trade books increasingly dependent upon revenue from subsidiary rights—such as book club selections which are estimated to have brought in $3,000,000 to authors and publishers, reprint royalties around $2,500,000, sale of motion picture rights, etc., for a margin of profit. If the foreign market for American books was worth $11,605,243 in 1945 and $18,693,381 in 1946, as compared with a prewar figure of $5,219,314 in 1938, and bidding fair to reach around the 25 million mark for 1947 if the six-month figure of $12,825,528 can be used as an indicator, are not dangers to this source of profit to be scrutinized carefully by the American book publisher?

However, there is the matter of dollar exchange. Without dollars no country can buy American goods in any quantity. And let it now be said that the dollar scarcity as it pertains to the purchase of our books is more widespread than just in England, Australia and France—the first two of which are among our four best customers. The dollar crisis that England has been experiencing has had repercussions in every country within the sterling block—as well as in Canada, which is our best customer, and in South American and European countries.

The drain on Canada's reserve of United States dollars was disclosed on August 18 when statistics were released showing that the Dominion's adverse trade balance with this country totaled $488,000,000 on June 30—which is only $8,700,000 less than Canada's balance with the United States for all of 1946. Predictions are that the disparity in trade would reach $900,000,000 by the end of this year. However, this decrease in Canada's U. S. dollar reserves had not been felt in her purchases of American books through the month of June.

BOOK MARKETS IN SOUTH AMERICA AND ASIA CURTAILED BY DOLLAR SHORTAGE

In South American countries the restrictions adopted, because of dollar shortages, to control the import of American books—notably Argentina, Brazil, Chile, Peru and Colombia—is of serious consequence to the American publisher marketing his books there. On August 22 Argentina passed a decree limiting the number of import licenses available to hard currency countries—which include Switzerland and Sweden in addition to the United States. Books from this country naturally fall under this restriction which greatly curtails the function of Argentina, which has generally been one of our three best Latin American customers, as an export market. However, licenses issued before August 22 and shipments of books made prior to that date are valid.

Because of the serious inflationary spiral that Brazil, also one of our three best Latin American book customers, is undergoing,

payments for purchases of American books in dollars are considerably delayed. In Colombia all dollar exchange was recently suspended for two months until the country's stock of dollars had been examined and each commodity, including books, had been allotted a quota of dollar exchange based upon past purchases. Books are not restricted in Peru, although many United States commodities are. It is simply a question of no dollar exchange being allocated for their purchase—and dollars are extremely scarce in spite of being available in the open market at a 2 to 1 rate. Chile is in the middle of a dollar crisis because of the great fall in her exports, mainly nitrates, since the end of the war. Chile, too, has a quota system for American books and dollars are allocated accordingly.

China, usually among our ten best book customers, has established a system whereby dollars can be bought on the open market—a new rate being fixed by the Bank of China each day. Although the official rate for dollar exchange is around 13,000 yuan to the dollar, the open market rate has spiralled to 55,000 to one American dollar.

As with other American commodities being sold abroad, the future of the foreign market for American books is dependent upon American dollars. With England, France and Italy all facing economic crises and countries like Australia and Canada beginning to look askance at their dwindling dollar supplies, not to mention the pinch of dollar exchange being felt throughout Europe and Latin America, the problem is both vital and immediate.

MONEY NEEDED BY EUROPE TO IMPLEMENT MARSHALL PLAN

As it stands today, with a reported estimate of 19 billion dollars needed by Europe to implement the Marshall plan, there are two means by which foreign countries can obtain the all-important American dollar. They can either export to the United States in sufficient quantity to show a dollar margin over their own imports from this country or they can be loaned dollars by the United States. In view of this country's past tradition of tariff protection and her present unwillingness to accept the responsibilities of reciprocal trade, it does not look as though the United States were going to become the kind of customer needed to give other countries their all-important dollar surplus.

America is then left with the alternative of loaning them the money with which to rebuild their economy and industry. Within the framework of loan agreements this poses the question to the book trade and government of this country of whether books are to be treated merely as articles of commerce rather than as a source of information and as the repository of democratic ideals. Although in dollar volume the export business in American books is relatively small, American books do carry into Europe not only the ideas and principles of democracy, but also serve the function of providing other countries with the scientific and technical "know how" with which to rebuild their economy and industry. Also, the role of books as instruments of national propaganda cannot be ignored (*PW*, September 6)—witness the activity of the Russian and British governments in implementing their book export programs. Although we have within the past few months curtailed the work and number of our State Department's Information Libraries abroad (*PW*, June 28, July 8, July 12, August 9), the British government, through the medium of the British Books Export Section, greatly facilitates the spread of English books throughout Europe (*PW*, May 24 and May 31). British book exhibits are not wasted efforts as the £5,139,222 for British book exports in 1945 and the £6,715,212 in 1946 compared with the 1938 figure of £3,171,018 will testify. American books have neither adequate representation nor do we have book exhibits abroad because the American publishing industry does not have, as do the British, a governmental or semi-governmental agency through which it can work.

That provisions for the purchases of American scientific, technical, educational and tradebooks should not be included within the framework of loan agreements between the United States and foreign countries, is both inconsistent and shortsighted on the part of the American government—for herein lies the answer to "what is to be the status of American books abroad."